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C O N F I D E N T I A L SECTION 01 OF 04 PRETORIA 001613

## SIPDIS

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SUBJECT: ZUMA HANDLING SOME ISSUES BETTER THAN OTHERS AFTER

90 DAYS

REF: PRETORIA 1129

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Classified By: DEPUTY POLITICAL COUNSELOR MADELINE Q. SEIDENSTRICKER FOR REASONS 1.4 (B) AND (D).

Summary

11. (SBU) President Jacob Zuma, barely in office 90 days, has faced a multitude of challenges so far in his tenure. He so far has been confronted with making tricky Cabinet and diplomatic appointments, dealing with striking doctors and municipal workers, and settling protests across the country for better service delivery. And, throughout it all, Zuma has had to deal with South Africa's first recession since the end of apartheid in 1994. Most political commentators and academics say the new South African leader has done well in dealing with all the difficulties he has faced. (Note: Many commentators projected extremely low expectations onto the new leader because they saw him as intellectually inferior to former President Thabo Mbeki. End Note.) Prominent author Xolela Mangcu told Poloff on July 28 that Zuma has done "as well as any other South African leader" running the government and leading political analyst Richard Calland penned a thoughtful column saying that Zuma has done about as well as he can given the circumstances and his desire to avoid heavy-handed tactics. Yet, there also are commentators saying that Zuma has been too hands-off. Regardless of how he has handled some key issues, the opposition is talking of forming coalitions for the 2011 elections, factionalism is rife throughout the African National Congress (ANC), and the public is still angry -- signaling Zuma's short honeymoon is over. End Summary.

Zuma Facing Host of Issues

12. (SBU) The months since Zuma's ascension to the presidency have not been easy ones for South Africa. The country is experiencing its first recession since the end of apartheid, contributing to unemployment along with spikes in protests for higher wages and improved services. Against this backdrop, Zuma had to quickly unite both factions of the ANC, which had been consumed with infighting since the party's congress in December 2007. He had to name Cabinet officials that appealed to each faction along with his allies in the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU). He also is faced with

the departure of four Constitutional Court members due to retire this year and a push by some government officials for a reconfiguration of the Judicial Service Committee (JSC), which will recommend the new appointments. Moreover, he is faced with calls for a reconfiguration of the South African Broadcasting Corporation, which has widely been accused by all sectors of partisanship and mismanagement. Zuma himself so far has been relatively unscathed politically. Although some political commentators wonder whether he has demonstrated enough leadership, many have praised his ability to maintain his penchant for dialogue and openness in the face of adversity. To assess Zuma's leadership so far, it is helpful to examine how he has handled some key decisions. He has handled some issues well, some not so well, and the verdict is still out for others.

## Issues Zuma Has Handled Well

- $\P 3.$  (SBU) Zuma has handled several issues positively during Q3. (SBU) Zuma has handled several issues positively during his first few months in office:
- -- He handled the issue of Cabinet appointments well. The Cabinet, as reported earlier by Post, is politically brilliant and he delivered a team that addresses the political balance of power between the party and the government. Moreover, Zuma's team has some solid managers who can bring new ideas to government while at the same time keep the tripartite alliance as close as it has been in years. Zuma's appointments beyond the Cabinet have also been generally lauded. His selection of Gill Marcus as Reserve Bank Governor was a shrewd move because unions are pleased that Tito Mboweni has been replaced while business can

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reasonably expect that few policies will change under Marcus. Zuma's selection of Marcus was a choice for competence and continuity and shows that the ANC understands the importance of monetary policy. His selection of Pallo Jordan as South Africa's Ambassador to the United Nations also was a shrewd move because he was able to keep one of the ANC's leading intellectuals working on important foreign policy decisions, according to author and well-connected academic Xolela Mangcu. Mangcu said, "Jordan is a friend. Although he can be anti-West, he also is pragmatic and understands that some of South Africa's foreign policy decisions under Mbeki were embarrassing." (Note: Mangcu met with Zuma on July 24 and told Poloff that the South African leader admitted in the meeting that some of South Africa's foreign policy moves under Mbeki were "embarrassing." He also said that Jordan would clash with the West on certain issues, as he noted in a recent editorial, but there would be less distance on positions than before. End Note.) His appointment of Tony Leon to the High Commission in Argentina also is politically savvy as it removes an opposition rival from commenting on the domestic agenda.

-- Zuma has handled divisive politicking well -- mainly by staying outside the fray. He has stayed above the infighting that has continued within the tripartite alliance. Although there are rumblings within the SACP that Minister of Higher Education Blade Nzimande should step down from his position in the communist party, Zuma has largely stayed away from addressing the issue. By not intervening, he avoids the micro-managing tendencies that plagued the Mbeki administration. (Note: A working level SACP contact last month told Poloff that Nzimande would keep his job within the party when SACP holds its conference later this year. The contact also said that Venezuelan President Hugo Chavez has been asked -- and reportedly accepted -- an invitation to open a party conference later in the year. End Note.)
Moreover, Zuma stayed above the bickering between political parties in the country. The South African leader was largely quiet when Western Cape premier Helen Zille attacked him for

being a "bad example." He instead allowed members of the ruling party and the alliance to respond to her allegations and reportedly welcomed her when she came to national meetings on governing strategies in May. He also played a behind-the-scenes role in convincing ministers such as Transport Minister Sbusiso Ndebele to turn down vehicles or other party favors.

- -- Zuma handled striking taxi drivers commendably. Zuma made sure that Ndebele was available for dialogue with the drivers so an acceptable solution could be reached. Had Zuma failed to negotiate with the taxi drivers, he would have risked creating an unstable, and disorganized, Confederations Cup environment.
- -- Zuma's appointment of Justice Sandile Ngcobo to the Constitutional Court has been universally lauded and demonstrates that the new South African leader respects the rule of law and the independence of the judiciary. Legal scholar Pierre de Vos says that "Ngcobo makes me proud to be a South African." As a member of the Constitutional Court, and a former Fulbright fellow, Ngcobo has written many Qand a former Fulbright fellow, Ngcobo has written many important decisions. He wrote a judgment on declaring it unconstitutional for South African Airways to discriminate against a passenger on the basis of his HIV status. Ngcobo wrote, "In view of the prevailing prejudice against HIV positive people, any discrimination against them can, to my mind, be interpreted as a fresh instance of stigmatization and I consider this to be an assault on their dignity. The impact of discrimination on HIV positive people is devastating. It is even more so when it occurs in the context of employment. It denies them the right to earn a living. For this reason, they enjoy special protection in

Issues Zuma Has Handled Less Aptly

- 14. (C) Zuma also has handled several issues less aptly during his first few months in office:
- -- Despite his appointment of Ngcobo, Zuma has yet to address concerns about political interference with the judiciary. His mishandling of this issue could become an early stain on

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his presidency. Controversial Judge John Hlophe is still a contender for a position on the Constitutional Court despite serious allegations that he tried to sway legal opinion in favor of Zuma. He reportedly told fellow judges that "he would be the next Chief Justice (of the country) and that 'they better rule in favor of Zuma.'" The JSC is investigating the matter, but the fact that a potential Chief Justice of the Constitutional Court sought to position himself under Zuma has worried a number of prominent legal advocates and scholars. To many, Zuma's silence is deafening. Senior advocate Peter Mothle told Poloff on August 5 that the "principle is what is most worrying." said, "Judges and lawyers will be free of judicial interference under Zuma. However, allowing Hlophe to jump the line in terms of seniority will create a big problem in the legal community because it would signal a rejection of principle. Everyone expects judges to be appointed based on their life's work and their previous posts. To nominate Hlophe will create the image of impropriety even if there is none." Mothle said the most interesting aspect of Hlophe's rise is that it closely mirrors Zuma's. Mothle noted, "Hlophe plays the victim as well as Zuma did." Should Zuma confirm a JSC recommendation for Hlophe to the Constitutional Court, Mothle says it "will create the perception that he rewards allies and ignores experience; failure to speak on the issue creates the impression of complicity." Legal scholar Pierre de Vos told Poloff earlier this year that Zuma's handling of Hlophe is "worrisome at best, disastrous

- -- He has failed to address the allegation (and growing perception) that he appoints political cronies to senior positions in government. The opposition has accused him of "Zulufication" of the state's security organs. Such an accusation perhaps carries more weight in a country that carefully weighs ethnic and racial balances. However, more importantly, the appointment of Bheki Cele as South Africa's new police chief raises the number of KwaZulu Natal men who lead South Africa's security cluster to four, creating the perception that the new South African leader rewards allies. Cele joins Police Minister Nathi Mthethwa, Intelligence Minister Siyabonga Cwele and Justice Minister Jeff Radebe, who were appointed after the April general election. Congress of the People's Siyanda Mhlongo described the allocation of security, intelligence organs and judiciary positions to KwaZulu Natal ANC leaders as the "Zulufication of state security organs." Zuma has not defended his appointments or publicly addressed the issue of whether he feels compelled to reward loyalty. Should the security services fail to achieve results, there is the possibility of Zuma facing the same criticism Mbeki faced -- that he favors allies over performance.
- -- Zuma, as leader of the ANC, as done little to quiet discontent within the ruling party. The ANC last month disbanded the leadership of the party in both Northwest Province and Western Cape Province, yet Zuma said little about how the organization should remain unified to stem ongoing service delivery protests. To see complete provincial branches collapse -- after an election -- suggests there remains serious divisions between ANC members loyal to Qthere remains serious divisions between ANC members loyal to Zuma and those loyal to Mbeki. (Note: In addition to corruption and cronyism. End Note.) The fact that Zuma has done nothing publicly to address this tension may hurt the party as it prepares to deliver ahead of the 2011 local elections.

Too Soon to Judge Zuma's Handling of Some Issues

- 15. (C) On some issues, it remains too soon to tell whether Zuma has handled them well or not.
- -- It remains to be seen whether Zuma's decision to make Deputy President Kgalema Mothlanthe his point person on Zimbabwe will be successful. Operating government to government on Zimbabwe rather than downplaying South Africa's role as Mbeki did is politically risky, but may yield better results for the unity government and the SAG. One could argue that encouraging Zimbabwean Prime Minister Morgan Tsvangirai to take concerns directly to Mothlanthe is a shrewd move for Zuma or a sign that he is disengaged.

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- -- It remains to be seen whether Zuma's administration effectively handled striking doctors and municipal workers and ongoing service delivery protests. Although the government has settled some strikes, it is possible that there will be more strikes in the future -- with confident unions boldly pushing for even greater results. Moreover, it remains unclear whether government and ANC public dialogues over poor service delivery will keep people from turning to the streets, or keep them from voting against the ANC in 12011. Zuma's threat to deal with disorder last month in face of protests very nearly derailed his promise for inclusive problem-solving.
- -- Zuma's handling of South Africa's recession also is too soon to judge. The South African leader wisely backed down from his promise to deliver 500,000 more jobs, but has largely left economic decisions to the Finance Minister and

Reserve Bank. His announcement that substantial funds would be available to workers is a good first step.

Comment

16. (C) After looking at Zuma's first few months of office, what we are left with is more questions than answers. The predominant theme, however, is best summed up by prominent author Anthony Butler. Butler told Poloff last month, "Zuma's strategy of caution, quiet, and avoidance of missteps has lingered past the election and has come to characterize the early days of the new government." Characteristic of governments across the world, where decisive action was necessary (establishing the Cabinet, moving past the election, and ending the taxi strike), Zuma and the ANC largely acted quickly and effectively. Where there was ambiguity and complicated problems, Zuma and the ANC tended to act hesitantly -- or not at all. There are some who would give him credit for setting the right tone and establishing a positive environment (two aspects missing from the Mbeki administration). However, there is a growing sense across the spectrum of political commentators that Butler's description of the Zuma team may be more fitting. He said, "For better or worse, what we have is a very tentative government -- one even more tentative than administrations of the past. Where we need leadership, we have silence.' LA LIME